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14 November 1988  
OCA 3772-88

## MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with GAO on Computer Security Legislation

1. On 31 October 1988, I received a phone call from Ray Wirsh, a senior attorney at GAO, to discuss CIA's refusal to answer a questionnaire regarding the Agency's compliance with the Computer Security Act. The D/OCA had provided a letter to GAO, dated 14 October 1988, which stated that the Agency's computer systems were exempt from the Computer Security Act.
2. Mr. Wirsh explained to me that Committee members had requested a further explanation as to why CIA considered itself exempt from the Computer Security Act. I explained to Mr. Wirsh that the Bill exempted computers that contain classified information or information involving intelligence activities. I noted that the Agency's computers generally had information related to intelligence activities or classified information, or a mix of classified and unclassified data. In addition, I reminded Mr. Wirsh that Section 4 of the Computer Security Act amended the Federal Property and Administrative Services Act, and that the Agency was explicitly exempted from the Federal Property and Administrative Services Act. Thus, there are two different grounds for arguing that Agency computers were exempt from the Act.
3. Mr. Wirsh noted that §3502 (2) of Title 44, which the Agency cited in its letter, exempts computers involved with intelligence activities (subsection A) and computers critical to direct fulfillment of military or intelligence missions (subsection B). The subsection B exemption specifically excludes computers involved in payroll, finance, logistics and personnel management. I stated that the Agency primarily relied on the subsection A exemption and the Computer Security Act provision that exempts computers containing classified information in determining our computers are exempt from the Act. The latter exemption would cover computers storing classified information related to payroll, finance, logistics and personnel management.

4. Mr. Wirsh agreed with me that the Agency had a good case to make, that its computers were exempt from the Computer Security Act, but that case was not really spelled out in the 14 October letter. Mr. Wirsh stated that he intended to write a memorandum summarizing the Agency's reasons why the Act did not apply to Agency computers and provide that memorandum to the House Government Operations Committee. Mr. Wirsh stated he would use my name in the memorandum as the source for the argument that our computers are exempt from the Computer Security Act. Mr. Wirsh did not expect the Committee to take issue with our conclusions.

5. Following my conversation with Mr. Wirsh, I contacted [redacted] at OGC and confirmed with him that the Agency was exempt from the Computer Security Act for the reasons stated above.

[redacted]  
Legislation Division  
Office of Congressional Affairs

cc: [redacted]

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OCA/LEG [redacted]

14 Nov 88

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